Opportunities in Agriculture

Marketing Strategies for Farmers and Ranchers

FOR 23 YEARS, ALL THE MILK FROM JEFF AND JILL BURKHARTS’ 80-cow dairy in central Iowa left the farm in a bulk truck for processing and sale in the commodity markets. These days, however, the farm’s milk takes a different route to customers. In 2002, the Burkharts decided to build a bottling plant and start selling their milk directly from the farm.

Today, the Burkharts’ 80-acre rotationally grazed farm has become a regular destination for customers throughout the Des Moines area, attracting 100 visitors a day and up to 400 when they hold a special event. As the Burkharts had hoped, visitors leave the farm with gallons of fresh, pasteurized milk as well as other products.

“Business is booming,” says Jeff Burkhart, who received a grant from the Sustainable Agriculture Research and Education (SARE) program in 2004 to test two marketing strategies: an open house event and a Website launch. A year to the day after filling their first milk bottle, the Burkharts premiered their Picket Fence Creamery with an open house that drew more than 900 people for farm tours, children’s activities and special sales offers.

The Burkharts have been innovators before. In 1988, they divided their 80-acre grass farm into paddocks, where they rotationally graze 80 Jersey cows moved twice daily to ensure ideal field conditions. Once they started the creamery, they began making butter, cheese curds, and 25 flavors of ice cream. To include other farmers in their venture, they turned the creamery store into a local foods marketplace, featuring everything from eggs, beef, elk and bison, maple syrup, baked goods, popcorn and wine from 76 other central Iowa families.

“We’re taking the raw product, which is the grass, and then adding value to it by feeding it to the cows, then taking the milk and bottling it or processing it into butter, ice cream and cheese,” Burkhart says.
“Our customers really seem to appreciate it – they can see and smell and touch everything, they can watch the processing through the observation window, and they really think that’s neat.”

The Burkharts team up with two other farms nearby – Prairieland Herbs and Northern Prairie Chevre – to share advertising costs and prompt customers to make a day of their farm experience.

Shifting to on-farm sales has been a lot of work, the Burkharts say, but the rewards are many. For one, the couple now earns a good living. Just as important, the new enterprise has fostered family togetherness. “We’re doing this as a family,” Burkhart says. “We get to work together, our kids are here, and we don’t have to commute to work. That means a lot.”

Proactive marketing strategies have proven the key to success for many agricultural enterprises. Rather than accepting the relatively low prices typically offered by wholesalers, direct marketers put the power to turn a profit back in their own hands by capturing a greater share of the consumer dollar. Direct marketing channels offer direct connections to customers, providing them an opportunity to buy fresh products – grass-fed beef, just-picked vegetables, or decorative pumpkins – and knowledge about how they’ve been grown. In return, farmers and ranchers learn what their customers like, then fill those needs with products, often at a premium.

This bulletin from the Sustainable Agriculture Network describes successful direct marketers, most of whom researched their new enterprises with funding from the Sustainable Agriculture Research and Education (SARE) program. It includes tips about how to start or improve a number of alternative agricultural marketing channels and provides links to extra, more in-depth information. (RESOURCES, p. 20.)

Direct marketing strategies are numerous and varied. Before beginning to sell direct, identify markets with special needs that offer large enough volumes to provide profitable returns. Also consider researching and writing a business plan, which will help you evaluate alternatives, identify new market opportunities, then communicate them to potential business partners and commercial lenders. (See p. 18 and RESOURCES, p. 20.)

Organic foods have held steady as one of the fastest-growing niche markets for several years. More recently, demand for pasture-raised meat and dairy products has risen considerably, with a small but significant subset interested in ethnic specialty meats, such as Halal and kosher-slaughtered products. Buying trends also support a rising interest in food grown and produced locally or regionally, so savvy farmers and ranchers are distinguishing their products by location and quality. Finally, e-commerce has become an established mechanism for sales of all kinds.

Consider selling at farmers markets, opening a CSA operation, developing value-added products, offering on-farm activities like educational tours, selling via the Internet, or marketing to restaurants and schools. You can go it alone, or you can team up with others in a cooperative. Most farmers use a combination of marketing methods – both value-based strategies bringing higher returns and volume-based channels selling more products – finding that diverse marketing strategies provide stable profits and a better quality of life.

**Farmers Markets**

Since 1994, the number of U.S. farmers markets has more than doubled to about 4,000, reflecting an enormous demand for farm-fresh produce.

Most farmers markets offer a reliable, flexible outlet where vendors can sell a wide range of fresh produce, plants, honey, value-added products like jams or breads and even (depending on local health regulations) meats, eggs and cheeses. For beginning direct marketers, farmers markets can be a great place to start. To locate farmers markets in your area, go to www.ams.usda.gov/farmersmarkets/ or call USDA’s Agricultural Marketing Service at (202) 720-8042.

Aaron and Kimberly Bolster have been marketing their fruits and vegetables in Oregon’s Willamette Valley since 1998, gradually expanding Deep Roots Farm from three to more than 100 acres. Their diversified approach to marketing includes a community supported...
agriculture program, sales to restaurants, local supermarket chains, and even cannery crops. Yet, farmers markets have consistently been among their best outlets.

In 2006, Deep Roots’ employees were selling at 12 farmers markets a week during the height of the season. Several are in Portland, a city known for its vibrant and bustling markets that offer everything from heirloom vegetables to bouquets of freshly cut flowers, dry beans, specialty breads, fruit, nuts, beef, lamb and even rabbit.

Asked what makes for a successful farmers market stand, Aaron Bolster emphasizes “the old cliché that you have to have a quality product at a good price. People need to have a reason to come back.” Customers develop loyalty to particular farms based on price, quality, the range of offerings, their desire to support local farmers, and the personal connection they feel with you and your farm.

Farmers markets vary widely in size, setting and sales volume. If you’re not satisfied with farmers market options in your area, you may be able to improve them by forging alliances with other members of your community. Merchants’ associations, chambers of commerce and other civic groups have come to recognize the power of farmers markets to draw customers into retail areas.

Betty King, a University of Kentucky extension specialist for community development, calls farmers markets “America’s first grocery stores.” King was part of a group eager to emulate the success they saw in the city of Lexington, which enjoys a thriving farmers market with as many as 60 vendors. In neighboring Woodford County, King and other community leaders were eager to encourage a new market in the town of Versailles.

When Versailles’ downtown underwent renovation, developers offered to create a covered space where the market could operate year-round. The Woodford County Extension Service built a certified community processing kitchen, and a SARE grant helped fund a training program for farmers interested in developing value-added products to diversify their market offerings. Downtown merchants show their support for the market by purchasing bedding plants and other items from the farmers for seasonal decorations.

The Woodford County Farmers Market now has 10 to 12 vendors selling produce, honey, meat, cheese and freshwater shrimp. “You have to start small and grow the market,” King says. “Farmers should realize that they have to invest, too.” For example, paying higher stall fees to pay for advertising or a salaried market manager can pay dividends later.

A similar partnership in Santa Rosa County, Fla., spearheaded by a SARE community innovation grant, led to the establishment of Riverwalk Farmers Market in downtown Milton and the creation of a “Santa Rosa Fresh” marketing program to highlight produce grown within the county. Cooking demonstrations with themes like “Cook It Like Your Grandma Did” and “It’s Too Darn Hot to Cook” drew record crowds. Other special events featured antique car shows and swing dancing demonstrations.

The county hopes to erect a permanent covered structure for the market on the courthouse square. Another plan is to let high school students earn community service hours to gain eligibility for state college scholarships by working at the market. “It really fits with our mission for the farmers market to have an educational component,” says Chris Wilcox of the Santa Rosa Economic Development Council.

Most growers enjoy interacting with other farmers, and many say that cooperation is as important as competition. Expect to have slow days when you do not sell all that you bring, and be prepared to encounter bargain hunters. You may want to investigate gleaning possibilities; many food banks and homeless shelters will pick up extras directly from your stand or farm.

If you’re interested in selling at farmers markets, keep in mind:

• Successful markets are located in busy, central places and are well-publicized.
Don’t deliberately or drastically undersell your fellow farmers. The more farmers and farm products at the market, the more customers.

A good market manager promotes the market and enforces its rules.

Selling at a farmers market may provide contacts for other channels, such as special orders or subscriptions.

Get feedback from your customers. You can learn a lot about what they find desirable – and what to grow next season.

For tips on displaying produce, pricing and other practical advice, consult *The New Farmers’ Market*.

(RESOURCES, p. 20)

**COMMUNITY SUPPORTED AGRICULTURE (CSA)**

CSA, a marketing method in which members of a community invest in a local farm operation by paying up-front for a share of the harvest, has been growing steadily since it first appeared in the U.S. in the late 1980s. The community idea carries over into the farm itself, with members dividing the weekly harvest as well as the risk of crop failure. Moreover, most CSA farms invite members to learn more about their operations through farm visits, volunteer opportunities and potluck suppers.

No two CSA farms are alike. Most supply produce. They also might provide flowers, berries, nuts, eggs, meat, grain or honey. Farmers may ask members to come to the farm to pick up their shares, or they might deliver them to centrally located distribution sites. Families run some CSA farms, while others involve groups of producers to supply additional goods. Many CSA farms ask members to commit time and labor to the operation, which not only lowers costs, but also allows members to learn more about what it really means to grow food.

In and around Concord, N.H., eight organic vegetable growers decided to try a cooperative CSA. With a SARE grant, the group worked through the logistics, from the creation of a legal entity called Local Harvest CSA to weekly food production and delivery. Being part of the cooperative makes it possible for the growers to combine what they produce best or substitute for others’ crop losses. Co-op members also learn from each other, sharing information about production issues like seed varieties and fencing options. Since forming in 2003, the group has slowly expanded its roster of farmer-members and doubled its number of shareholders to more than 200.

Another model comes from northern California’s Full Belly Farm. Run by a team of four farm partners, Full Belly hosts a year-round, 800-member CSA with drop-off sites throughout the San Francisco Bay Area. Full Belly Farm employs 40 workers and grows nearly 80 different types of vegetables, herbs, fruits and nuts as well as flowers, eggs and wool. They also sell at farmers markets and to restaurants.

“I wanted to create a different model than what I grew up with,” says Paul Muller, who was raised near San Jose in a family of dairy farmers and now is one of the Full Belly Farm in northern California has cultivated a loyal base of members for its community operation, which provides 80 different types of vegetables and even wool. Paul Muller is one of four farm partners.

—— Photo by Neil Michel/Axiom

Full Belly Farm in northern California has cultivated a loyal base of members for its community operation, which provides 80 different types of vegetables and even wool. Paul Muller is one of four farm partners.

—— Photo by Neil Michel/Axiom
Belly Farm partners. “On our farm, we have great relationships with our end users – they are the ones we grow for, and they have confidence in our integrity” about how Full Belly Farm produces their food. “They have no question about feeding it to their kids.”

Full Belly Farm has been organic since the 1980s, and hosts an award-winning annual “Hoes Down” festival including kids’ activities, farm tours, food and music. Muller received SARE’s Patrick Madden Sustainable Farmer Award in 2006.

Many CSA farmers produce weekly or biweekly newsletters describing the harvest and providing recipes. Others reach out electronically through listservs or Websites. Full Belly Farm’s Website describes their CSA program in detail – including drop-off locations, prices and payment schedules, a harvest calendar and a newsletter specifying the contents of the weekly CSA box, among other things.

When evaluating CSA as an option for your farm, consider:
- Your location. Can you find enough members? Can they drive to your farm; or do you need to establish community drop-off sites?
- Labor. Do you have enough paid support or volunteers to handle the extra jobs involved in CSA, such as packaging?
- Your willingness to sponsor events on the farm, publish a newsletter and provide other services that help customers feel connected to the farm.

**ON-FARM SALES & AGRITOURISM**

**ON-FARM SALES**

JUST LIKE PEOPLE ENJOY WATCHING MILK BOTTLING THROUGH the Burkharst’s observation window (see p. 1), they seek opportunities to shop at farm stands and interact with farmers right where they live. In response, farmers are becoming more attuned to ways they might maximize their offerings. Some pick-your-own operations, for example, have expanded into wedding facilities, farm camps and gourmet specialty stores.

Earnie and Martha Bohner, who started with a pick-your-own operation with no buildings, electricity or running water in 1983, created a Missouri Ozarks destination that now attracts carload after carload of customers, especially in June, July and August, when nearby summer camps are in session.

They began with a long-term plan for Persimmon Hill Berry Farm based on family goals and values. Within 10 years of purchasing 80 acres, they were cultivating 3 acres of blueberries, 1 acre of blackberries, 2,000 hardwood logs for shiitake mushrooms and 120 apple trees. In addition to the products, they provide amenities: clean restrooms, a picnic table and shade trees – and tidy field edges.

“We create a place where people can enjoy themselves,” Earnie Bohner says. “People don’t come all the way out here to get cheap food. They come because it’s fun and the berries are absolutely fresh. As much as we can, we give them contact with ‘the farmers.’ The more we can do that, the more people go away with that memory.”

An Indiana grower’s use of integrated pest management and shrewd marketing attracted a bevy of new customers to his crop farm. In 1992, Brian Churchill began using integrated pest management on some of Countryside Farm’s 100 acres of sweet corn, melons, tomatoes and other produce. In 1994, with a SARE producer grant, Churchill began scouting for pests, withholding routine spraying and building better habitat for beneficial insects. He cut insecticide costs drastically, then decided to use that as a marketing hook.

First, Churchill attracted the attention of local chefs with an “expo” (see p. 13). He also opened a thriving roadside stand, where the corn is the big seller.

“We drive the point home about using less chemicals all the time,” he said. “I have been growing sweet corn now for 16 years and the customers keep coming back and bringing friends with them. It’s been great.”

Once he perfected his system, he expanded into watermelons, pumpkins and squash and began inviting school children to visit to learn more about farming, judicious agri-chemical use and pollination. In 2005, 1,500 students visited the farm. “Our farm has grown a lot since the grant,” he says.
In the Pacific Northwest, Larry Thompson grows 43 fruit and vegetable crops on 140 acres in Boring, Ore. Once he decided to convert his parents’ farm from wholesale produce and flung open the farm gate to the suburban Portland community, his neighbors began coming and haven’t stopped.

Many call Thompson a pro at “relationship” marketing, forming bonds with customers who see a value in local produce raised with few chemicals. Each year, thousands of students – as well as other farmers and researchers – visit his farm to learn about his holistic pest management strategies and view his bounty of colorful crops.

AGRITOURISM

POTENTIAL AGRITOURISM ENTERPRISES ABOUND. FIGURE OUT what’s unique about your farm and your skills, and use those things to create an enjoyable, educational experience that will appeal to your customers. The key to agritourism is authenticity and creativity.

Becky Walters planted her first acre of pumpkins on her central Kansas farm in 1988 after her boss at a local greenhouse gave her seed for a new miniature pumpkin that was popular at nurseries and farm markets.

“My husband caught a big razzing at the co-op,” she recalls, “but I made $583 selling them, twice what we would have made on the 5 acres of milo we usually had in that field.”

Like most of their neighbors, Becky and her husband, Carroll, had been growing milo and soybeans and grazing cattle for the commodity market. With grain and beef prices hovering at or below the cost of production, the couple was eager to find a way to breathe new profits into the 1,700-acre farm where Carroll had grown up.

Bit by bit, the Walters expanded that original acre of pumpkins to 16 acres. They built a processing kitchen so they could create value-added products. Then they added a gift shop, a swinging bridge over their creek to appeal to kids, a corn maze and educational tours to draw customers to their farm, ideally located for a tourism venture just minutes off the Kansas Turnpike.

Today, the Walters grow more than 100 varieties of pumpkins, gourds and winter squash – from minis to giants – along with tomatoes, peppers and onions. Planting many squash varieties also helps the Walters spread risk, since different types thrive in different weather conditions. Drawn by the variety and convenient location, as many as 15,000 visitors flock to Walters’ Pumpkin Patch in the six weeks leading up to Halloween.

“People come just to see all the different kinds that we have,” says Becky Walters, who received a SARE farmer/rancher grant to experiment with ways to add value to pumpkins by making salsa. The product, after experimentation with the recipe and the right jar for packing, dovetails with their tourism efforts, complements their other vegetables and provides new jobs in their community.

The enterprise has been so successful that her daughter and son-in-law have moved back to the farm to help out. With their two young grandsons beginning to get involved in the business, Becky says, “it feels like a real family farm again.”

To expand their educational efforts for school groups, the Walters will teach visitors about native frogs and fish in their farm pond and incorporate information about the Walnut River, which surrounds them on three sides.

“I think having an idea of doing something and jumping off the cliff to do it is the hardest part,” Walters says. “Sometimes it takes what I call ‘thinking outside the barn.’ When you put a pencil to it, it just doesn’t make sense for us to grow the conventional crops any more.”

The Walters and others who offer educational programs for school groups recognize that teaching children usually requires special skills and always a good set of ideas. To engage children, consider getting them involved in projects – whether it’s digging potatoes, planting corn, or decorating pumpkins. Keeping groups small helps. Of course, ensuring safety is paramount, especially on farms with heavy equipment and other hazards. If you don’t have the resources to develop educational programs on your own, consider working with local schoolteachers, FFA groups, or others in the community.
Marlene Groves of Buffalo Groves, Inc., in Kiowa, Colo., developed youth education programs—including an “American Buffalo” Girl Scout patch program and an educational youth buffalo project for 4-H—to teach about buffalo history. The ranch’s “Bison Reader,” a youth activity sheet, is a favorite at many schools and nature centers. Efforts like these, Groves says, foster a better understanding of ecology, agriculture and nutrition. Mainly, she wants kids to know where their food comes from.

The Groves teach people, young and old, about their ranch and their niche product during ranch tours. They charge $25 per person, refundable in the form of store credit, and also offer customized tours for private events.

“It takes work to run tours” on a 2,000-acre ranch, Groves acknowledges, “but we want to showcase what we’re doing.” They lead visitors on walks, talk about grazing management and point out native grasses and wildflowers. “Of course, the highlight is going out to see the buffalo herd,” she says.

Offering tours is a way of taking advantage of consumers’ and the media’s interest in farm life, Groves says. As part of that, “tell a good story — tell your own story,” she advises. In addition to selling meat on the ranch, they also market and deliver directly to customers in Denver and Colorado Springs and from their Website.

Other ranchers have expanded into diverse on-site activities, offering hunting, fishing, bird-watching, horseback riding or hiking. In Colorado, co-owners of the 87,000-acre Chico Basin Ranch began offering working ranch vacation packages in 2000. While it’s taking time to make that side of the business fully profitable, they feel they’re moving in the right direction, says ranch manager Duke Phillips.

While some people visit just for birding, which brings lower returns, “we have packages where people stay for a week and we get paid well for that,” says Phillips. “We have to balance what we do with our values, the reason we’re here as ranchers.”

Chico Basin was among a group of ranches in Colorado, Wyoming and other western states that benefited from a SARE grant exploring various types of community-based direct marketing models for ranch owners seeking to diversify. The key is to put a value on the natural resource amenities provided by ranchlands and to find ways for urban- and suburban-based consumers to enjoy those amenities.

**Community-Based Farm Tourism**

Farmers considering ways to put themselves on the map, literally, might team up with state or regional agencies to promote rural economic development through farm-based tourism activities. In many parts of the United States—not just traditional vacation destinations like Hawaii or New England—tourism can make a significant contribution to local economies, and attractive, well-managed farm operations can do a lot to draw rural tourists. Explore local government, quasi-government and business connections to participate in local festivals, get listed in state tourism brochures or be featured in regional public outreach campaigns.

In Minnesota, the nonprofit Renewing the Countryside organization used a SARE grant to promote local foods-based tourism. Working with groups like the Minnesota Bed & Breakfast Association and the University of Minnesota Tourism Center, RTC developed a promotional campaign called Green Routes. Printed maps and an online directory (www.greenroutes.org) guide visitors to farmstands, craft shops and other rural destinations. “There’s a lot of interest in and support for ‘green’ travel, and farmers are a big piece of that,” says RTC’s Jan Joannides.

Similar efforts are underway in Rhode Island, where the Rhode Island Center for Agricultural Promotion and Education launched “Rhode Island FarmWays,” a campaign to highlight farms as tourist destinations. The goal, says Center Executive Director Stuart Nunnery, is “to help showcase Rhode Island’s farms as places of significant beauty, culture, ecology and history. Those farms are crucial to maintaining Rhode Island’s quality of life.”

With help from a 2004 SARE grant, Nunnery and colleagues have held professional development workshops for farmers, provided grants to help producers initiate farm-based tourism activities and created a

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Hidden Meadows Farm in West Greenwich, R.I., a member of the state FarmWays agritourism campaign, hosted the public during a Thanksgiving weekend of on-farm activities. The farm sells Christmas trees and value-added products. – Photo by Jo-Anne Pacheco
Website listing farm-based attractions statewide. The Rhode Island Center also negotiated a $250,000 loan package with the state Economic Development Corp. to provide small loans to farmers to develop or expand agritourism and direct marketing activities. Finally, the team is focusing on streamlining the regulatory process by which farmers can set up farm stay or bed & breakfast operations.

“Our farms have a variety of untapped assets that can create products and experiences for visitors,” says Nunnery. “They could be walking trails, historical features, wildlife, heritage livestock, horticultural diversity or just a spectacular landscape. We have farms with beautiful grasslands preserved by conservation easements. One of the farms we’re working with has ancient settlements and artifacts being excavated by university archaeologists.”

If you’re interested in on-farm sales and agritourism, consider the following.

- Check your local extension office for information about how to construct sales stands, small market buildings and produce displays. From building materials to permits, establishing a stand can prove expensive.

- Social skills and a scenic, clean, attractive farm are crucial for success in agritourism and can overcome a location that is less than ideal.

- Farm visitors may interfere with main farm activities and pose a liability risk. Consult your insurance adviser to ensure adequate liability coverage.

- In the tourist business, you are never really off-duty. Expect late-night calls and working holidays.

- State departments of agriculture often offer assistance in setting up farm festivals and similar activities. State tourism bureaus also can offer a wealth of ideas and information.

**Direct Marketing Meat and Animal Products**

After years of watching feed prices rise and pork prices fall and wondering how they could stay profitable, Denise and Bill Brownlee of Wil-Den Family Farms in Pennsylvania decided in 2002 to exploit what they saw as a market advantage – their outdoor production system where hogs farrow and finish on pasture without growth stimulants and with minimal antibiotic use.

Given the time commitment involved in direct marketing, the Brownlees started by scaling back from 170 sows to 60, aiming to sell 900 to 1,000 animals a year at a premium price. Over the past several years they’ve explored a variety of direct marketing strategies. A SARE grant enabled them to partner with a local nonprofit group to test a subscription service for meat, in which up to 100 members would purchase annual shares of pork chops, sausages, bacon and ham.

What they found was that customers were more comfortable with monthly meat subscriptions than with annual meat shares. “We tried to pattern it after how people are used to buying from vegetable farmers: paying upfront,” Denise Brownlee says. “For whatever reason, they were hesitant to commit.” Their experience shows that translating marketing strategies from one type of product to another can require some tweaking.

Decades ago, most meat and animal products were sold directly to customers, but all that changed with the advent of the modern feedlot-to-wholesale system. Recently, consumer concerns about nutritional health, food safety and animal welfare have spurred renewed interest in buying animal products directly from the source. Producers, meanwhile, see the value of re-connecting to consumers.

Making the most of your direct marketing efforts requires being able to explain to customers why your product is better than what they can find in their local supermarket. To make specific nutritional claims for
your product, consider getting samples tested by an independent lab. With a SARE producer grant, David and Marlene Groves tested their 100-percent grass-fed bison meat, which they sell directly from their Colorado ranch. They learned that the meat was slightly lower in fat and significantly lower in calories and cholesterol than the standard published values for bison meat.

“It’s very hard to confidently market your product if you don’t completely understand it,” Groves says. “Most buffalo for sale in the supermarket is grain-fed, and it’s much fatter.” Once customers understand the difference, they often are more inclined to buy Buffalo Groves meat.

Another expanding market opportunity for sustainable livestock producers centers on health. Health care practitioners and individuals seeking to improve their diets in response to concerns about chronic disease, pain syndromes and various disorders are fueling demand for better quality meat. The University of North Carolina Program on Integrative Medicine used a SARE grant to compile a directory of locally raised, grass-fed livestock products after receiving repeated requests for such information from holistic health care providers in the area. Part of their research included sources of meat with desired levels of omega-3 fatty acids.

For livestock producers facing an increasingly concentrated market with a few large processors controlling prices, direct marketing offers the opportunity to retain a greater share of product value. Marketing meat and animal products, however, means making food safety issues paramount. (See box at right.)

Provide cooking instructions, especially for grass-fed meats, which require lower cooking temperatures than conventionally produced meat – “low and slow,” as Texas rancher Peggy Sechrist likes to describe it. If possible, provide samples. With a quality product, sampling can be the most effective form of marketing.

Jim Goodman of Wonewoc, Wis., began direct-marketing organic beef not only to increase profits, but also to talk with and educate his customers about sustainable beef production. After 16 years of selling to packing companies, Goodman now delivers beef to restaurants, a farmers market and directly to friends and neighbors. Customers are getting used to ordering by e-mail in the winter, so direct marketing continues during the winter through scheduled deliveries.

“Traditionally, farmers never see their customers,” says Goodman, who regularly drives 75 miles to Madison to deliver beef. “It’s nice to be able to hand your customers a package of burgers with tips on how to cook it and be able to tell them how the animals are raised.”

When he takes a 1,500-pound steer to the packing plant, he receives about $1,000. That same animal brings $2,500 minus about $450 in processing costs, when he sells it directly.

“People are willing to pay more for direct-marketed organic beef,” he says. “Once you get regular customers, you develop a friendship with them. Then people start talking about buying meat from ‘my farmer.’ It really is the way marketing should be done, the farmer delivers a quality product, and the consumer is happy to pay them a fair price, everyone wins.”

Cooperatives provide another route for direct marketing meat. In 2001, a group of Iowa livestock producers launched Wholesome Harvest, a cooperative featuring organic meat sales in five Midwest states. Co-op founder Wende Elliott, who raises lamb and poultry, got a grant from SARE to research the potential – since realized with steady sales. “Only by working together can farmers protect the added value of organic meat and capture premium prices,” Elliott says. (See p. 15 for more information on co-ops.)

**ANIMAL PRODUCT LABELING & CLAIMS**

Meat producers address consumer safety concerns through regulatory avenues as well as processing and inspection. Before launching a direct meat-selling venture, decide where and how you want to market. The type of processing and inspection you choose limits where the meat can be sold, dictating whether you can sell across state lines and whether direct to consumers or wholesale.

For more information about meat inspection and overall marketing regulations, see the Legal Guide for Direct Farm Marketing, developed in part with a SARE grant. To learn more about direct-marketing beef, from slaughtering to promoting and advertising, consult How to Direct Market Your Beef, published by SARE’s Sustainable Agriculture Network. (Resources, p. 20.)

You may want to develop labels describing how you produce your meat, specifying your feeding, medication and other practices and/or where you farm or ranch. Check with USDA’s Food Safety Inspection Service (FSIS) at www.fsis.usda.gov, (202) 205-0623 and the USDA Agricultural Marketing Service’s Livestock and Seed Program, www.ams.usda.gov/lsg, to create accurate, legal claims.

For organic labels, see USDA’s National Organic Program Website – www.ams.usda.gov/nop – or call (202) 690-0725 with questions. For regulations and information related to food safety in livestock products other than meat and eggs, such as milk pasteurization, visit the Food & Drug Agency’s Center for Food Safety and Applied Nutrition at www.cfsan.fda.gov.

To better address the needs of the small business community, including farmers and ranchers, FDA assigned its small business representatives (SBRs) to respond to questions such as how to find the FDA regulation(s) pertinent to your product. To find the SBR nearest you, visit www.fda.gov/ora/fed_state/Small_Business/sb_guide/sbuxsep.html.
To expand sales of their lamb and goat meat, Larry Jacoby and Judy Moses built new connections with the growing populations of Mexican and Somali immigrants in western Wisconsin. Their efforts — advertising in multiple languages, promoting visits to their 140-acre farm in Downing, Wis., and attending customer weddings, among them — have resulted in a substantial increase in annual sales.

“We like working with a variety of people, it fits our interests intellectually,” said Judy Moses, who, with husband Jacoby, received a SARE farmer/rancher grant to explore new ways to promote to culturally diverse customers. “Once you get into their network, you’re in. When we have goats for sale, the work spreads quickly and customers come.”

In busy periods during the Muslim month of Ramadan, Christmas and New Year’s holidays, monthly sales of adult goats, kids, and 80-pound lambs surge. In 2005, they sold more than 500 live goats and lambs during the holidays at an average of $100 each.

Moses and Jacoby learned a lot over the two years of their grant project about how to reach new customers, many of whom speak limited English, come to the farm at all hours, and want to slaughter their animals according to religious customs.

Moses’ co-worker at her off-farm job, a Somali native, sparked the project by suggesting that local Somalis, many of whom work at a Barron, Wis., turkey processing plant, craved fresh goat meat. While Moses and Jacoby tried ads in ethnic magazines, established a multi-lingual Website and posted information on bulletin boards and tourist information centers, word-of-mouth brought the most customers.

A friend who worked at the processing plant encouraged some of her Somali co-workers to visit Moses’ and Jacoby’s Shepherd Song Farm, where they raise about 400 goats and 300 lambs annually on pasture.

In keeping with tradition, the Somalis wanted Halal slaughtering practices involving a Muslim imam. Moses found a state-inspected processor 14 miles away willing to slaughter goats in the preferred manner with the local imam present to supervise. Moses and Jacoby adapted in other ways, too, growing accustomed to unannounced visits from families, some of whom liked to pick up animals in the midst of the winter holidays. Many of those visitors bought 10 to 20 goats at one time. They even bartered occasionally, with Jacoby swapping lamb for a new pair of leather boots imported from Mexico, among other items. Customer relations soared.

“Mexican and Somali families have sought us out,” Moses said. “These families purchase something more than food — a memory of their heritage while strengthening family bonds.”

**Season Extension**

**WHETHER YOU’RE SELLING AT FARMERS MARKETS, THROUGH a CSA or on your farm, lengthening your marketing season can be critical to spreading your workload and evening out your cash flow. It can also help maintain relationships with customers and allow you to offer year-round employment to key employees. While some farmers enjoy having off-season “down time” to make repairs or plan for the coming year, others find that practicing seasonal diversification makes for a more well-rounded farm enterprise.

Season extension involves using greenhouses, unheated hoop houses, row covers or alternate varieties to push fruit and vegetable crops earlier into the spring or later into the fall.

In Oregon, farmers Aaron Bolster of Deep Roots Farm and Anthony and Carol Boutard of Ayers Creek Farm teamed up with the Oregon Farmers’ Market Association on a SARE-funded project to test the idea of extending a popular Portland farmers market through the winter months. Customers got acquainted with the wide array of local products available year-round, while farmers gauged off-season demand. Deep Roots used hoop houses to grow late-season greens and other cold-hardy crops; other farmers, like the Boutards, offered value-added products based on their summer berries and other specialties.

“This is an area where there used to be a lot more emphasis on winter production, but with more shipping and competition from the South, it kind of fell away,” Bolster says. “Now, with the demand for local produce, there’s a real opportunity for farmers who are willing to take it.”

A key goal for Bolster and the Boutards was to keep people employed year-round to foster good workers. They also found the winter market was a catalyst for them to grow more vegetables year-round, then try shopping any extra product to local stores and restaurants. “In winter there’s certainly more risk, but it’s worth it,” Bolster says.

Sometimes, the key to capturing a valuable market is timing. Having the earliest local sweet corn or tomatoes...
at the farmers market will command a price premium; the trick is to keep customers coming to your stand through tomato season and beyond. Thinking creatively about how to maximize the overlap between peak demand and peak production is an important part of direct marketing. Becky Walters of Burns, Kan., developed her distinctive pumpkin salsa after selecting an early-maturing pumpkin variety to coincide with tomato and pepper season.

Another part of season extension has to do with understanding the seasonal preferences of your target market. Meat producers often find that customers buy ground beef in the summer and roasts in the winter, for example. In Colorado, the Groves have learned that they have to ship on Thursdays because many people like to receive their meat on Friday for special weekend meals. Moreover, the Groves say that bison sales are strong around the winter holidays and into January, apparently because people resolve to eat healthier meats around the first of year. Finally, raising heritage turkeys for the Thanksgiving market has proven a yearly boon for many poultry producers.

**Value-Added Products**

In 1986, Earnie and Martha Bochner began making jam in rented facilities near their farm in southern Missouri. Since then, Persimmon Hill Berry Farm has built a processing kitchen to make value-added products, from jams to sauces. To create specialty items that would appeal to customers, the Bohners did their homework. First, they worked with a chef to perfect recipes for jams and barbecue sauce. Later, with a SARE grant, they sought ways to add value to shiitake mushrooms. After market research, including detailed cost comparisons, showed that freeze-drying on site would be prohibitively expensive, the Bohners decided to dry their fresh mushrooms off-site, then convert the high-value product into a top-shelf shiitake soup mix.

“The development of new products is something we work at all of the time,” says Earnie Bochner. “New farm products and enterprises help keep us interesting to our return guests and give our first-time guests more motivation to come and see us.” Today, their sales of value-added products accounts for 50 percent of the farm’s gross income.

Processing fruits and shiitake mushrooms allows the Bohners to use “seconds,” extend their marketing season and diversify their marketing outlets.

Dan and Jeanne Carver diversified their central Oregon ranch by developing a variety of value-added products from their sheep flock. With a SARE farmer/rancher grant, Jeanne Carver tested the market, then targeted lamb and wool sales toward high-end consumers and commercial buyers. Now, they sell Imperial Stock Ranch lamb to upscale restaurants in Bend, Ore., wool in yarn-and-pattern kits for hand knitters, and ready-to-wear woolen and lambskin fashions.

“Our customers love the quality of our product, the flavor profile of the meat, the feel of the wool, and the message of the land and sense of place,” Carver says.

Direct-marketing their lamb led to selling some of their main product—beef—directly as well. “The marketing project has increased awareness and visibility of
what we grow, how we grow it and, most importantly, how we manage the land,” says Dan Carver. “Once the chefs [buying Imperial Stock Ranch lamb] tour the ranch and see the roots of their product, they ask “How do we get your beef?” The demand is there, “ he notes, “but it will grow only as fast as our processing and distribution will allow.”

In the Northeast, where festivals proliferate, the Northeast Organic Farming Association of Vermont (NOFA-VT) used a SARE grant to research a variety of prepared foods for sale at fairs, festivals and farmers markets. Their goal was to develop a healthy value-added product that featured diverse local ingredients purchased directly from farmers and appealed to festival-goers. The answer turned out to be pizza.

To make it work, NOFA-VT needed a portable oven. They contracted with a Maine company that specializes in wood heating to build them a wood-fired French clay, copper-clad oven, with help from a USDA Rural Business Enterprise Grant. They then set it on a trailer so it could be pulled from event to event by truck. In 2006, “Vermont Farmers’ Fare” began selling 12-inch pizzas made from Vermont-grown wheat, vegetables, cheese and meat.

The pizzas “are a big hit!” says Enid Wonnacott, NOFA-VT’s executive director. “No one can believe the crust is made, partially, from local wheat. One of our goals was to get local food on the radar screen of people who may not even think about the farms in their community and what is available from those farms.”

Wonnacott and others planned the portable pizza project to offer farmers a direct market benefit, and also to encourage them to sell their own value-added products. The oven also cooks bread, pies and even roasted vegetables.

Value-added opportunities are everywhere. Examine your product and brainstorm about how processing might increase its value. Fruit growers can dry their product or make wines, juices, vinegars, spreads, sauces, syrups and preserves. Grain growers might create cereals and baking mixes. Dairy operators can bottle milk or make cheese, while livestock producers might sell dried meat or specialty cuts.

When you add variety to your product line, you increase the choices presented to your customers and your chances for expanding your sales volume.

Some things to keep in mind when contemplating value-added products:

- Consider projected costs and returns carefully before investing in specialized equipment for value-added products. Often it makes sense to work with a co-processor to test your market.
- Some of the best value-added items make use of by-products or seconds.
- Seek the experts. Consult with your state Extension Service, Department of Agriculture or small business groups about packaging, processing and recipe development.

**Sales to Restaurants & Institutions**

Restaurants, especially high-end restaurants, provide lucrative markets. Chefs and restaurant patrons pay premium prices for top-quality, distinctive, locally grown products – if they are available in quantities that warrant inclusion on the menu. Some states and regions have created marketing programs to encourage restaurants to feature local farm products, and an increasing number of restaurants identify farms in their menu item descriptions and in other promotions.
The challenge often lies in getting farmer-chef relationships established. In some areas, organized sampling events have brought farmers and chefs together to talk about seasonal availability, preferred crops and varieties, volume, post-harvest handling and delivery logistics.

In the mid-90s, after receiving a SARE farmer grant, Brian Churchill held an “expo” for 50 chefs from top restaurants in nearby Louisville, Ky. “We showed we can produce the volumes they need in as good or better a quality as they can get anywhere,” Churchill says. The SARE grant started Churchill down a path he continues to tread more than a decade later. He expanded his “IPM sweet corn” to 60 acres and sells that and other produce to two chefs, who pick up their requests at the farm twice a month.

Another SARE-funded project in northwestern Arkansas organized 11 “All-Ozark Meals” at restaurants, delis, farmers markets and other locations in 2003. Enthusiasm from the event translated to more local purchasing by restaurants and groceries and a new commitment from a regional environmental group to support farmland preservation issues. Several chefs who cooked for the All-Ozark Meals now participate in a popular competition at the Fayetteville Farmers Market, in which chefs have two hours to shop at the market and then prepare a three-course meal using all-local ingredients. Strong media response has confirmed the value of farmers’ stories when it comes to selling food.

In Hawaii, a SARE-funded effort known as the “12 Trees” project is combining new crop development with culinary expertise, organic growing techniques and agritourism. Farmer and organizer Ken Love solicited input from chefs to identify 12 tropical tree fruits with commercial potential. Then, project leaders and volunteers planted trees on a demonstration site where farmers and researchers could learn about production methods – and tourists and local residents could come to see, taste and buy unusual fruits. Over the course of the project, it evolved from a research plot to a tourist destination.

“This came about solely because of community involvement,” Love says. “So instead of a university test plot, we have an attractive public park complete with educational displays on sustainable agriculture.”

As the trees come into full production, the Kona Pacific Farmers Cooperative will market the fruit to area restaurants. Students at the West Hawaii Culinary Arts program have been involved in developing recipes for the fruits, which include loquat, pomegranate, mysore berry, tropical apricot, figs and more.

“Everyone wins and benefits from this project,” Love says. “Researchers have a sustainable certified organic field for tropical fruit production tests, and chefs and student chefs are exposed to a wide variety of fruit that they continue to purchase from local growers.”

The 12 Trees site, located near the culinary school, was designed for visitors. Self-guided tours with field signs highlight information for growers and consumers. Two natural amphitheaters provide space for local groups to hold on-site workshops on such subjects as pruning and grafting. It also draws visitors to the 101-year-old historic Kona coffee co-op.

Other farmers report success from approaching local chefs directly.

“It seems that every type of restaurant has its own particular needs,” writes Jan Holder in her book, Rare Hawaiian striped bananas are among the local fruits with a “wow” factor grown at the 12 Trees demonstration site in Kona and are a potentially hot crop for area chefs. – Photo by Ken Love

Upscale restaurants like Restaurant Nora in Washington, D.C., feature ingredients procured from local farmers as a hook to draw customers. – Photo by Edwin Remsberg
How to Direct Market Your Beef (RESOURCES, p. 20), adding that locally owned restaurants are a much better bet than franchises. “Restaurateurs usually want fresh, not frozen beef. They also want a uniform product. The last thing a restaurant manager wants is a customer complaining that last time he ordered this steak it was a lot bigger, or leaner, or more tender, or whatever.”

Restaurants already working with seasonal, locally produced foods might be most willing to work with you, Holder says. Providing weekly availability lists can help educate chefs and other food service personnel about their options.

Prospective restaurant suppliers should consider:

- Upscale restaurants and specialty stores pay top dollar for quality produce and hard-to-get items. According to Eric Gibson’s Sell What You Sow!, growers can expect a minimum of 10 percent over wholesale terminal prices for standard items at mainstream restaurants.

- Most restaurants buy in limited quantities, and sales may not justify the necessary frequent deliveries. Growers should line up buyers a year in advance and develop secondary outlets.

- Call buyers for appointments and bring samples.

- Meat producers can offer a variety of cuts, and even bones for soup stock, but most restaurants will want fresh products.

- Major selling points include daily deliveries, special varieties, freshness, personal attention and a brochure describing your farm and products.

- When planning your crop mix, talk with chefs and specialty buyers, who are constantly looking for something new. Successful restaurant sales depend on meeting the changing needs of your buyers.

Other farmers and nonprofit organizers are exploring the potential of direct farm sales to institutions like schools, hospitals, and senior-care facilities. Philadelphia’s nonprofit Food Trust received a SARE grant in 2003 to strengthen farmer access to markets in the inner city. Working with farmer groups, extension services and institutional buyers, the group brokered marketing relationships, matching farmers with buyers, bargaining for better prices and coordinating deliveries.

Among the project’s successes was the creation of a “Farm Fresh” fruits and vegetable option for people participating in a “share food” program run by a state nonprofit organization. That program offers discounted monthly food packages with a labor commitment. About one-quarter of participants now choose fresh produce that was not previously available.

Sales from farms to Philadelphia schools is set to top $200,000 in the first two years of the group’s farm-to-school project, according to Food Trust staffer Patrick Gorman. A special kindergarten initiative is supplying Pennsylvania farm produce for morning snacks at 11 schools, three days a week. The project has nutritional and educational benefits for the children as well as economic benefits for the farmers.

Selling to schools can be challenging – budgets are limited, many decision-makers are involved, and many schools no longer manage their own kitchens. But as public concern over childhood obesity grows, new opportunities for school food programs are opening in many parts of the country. Privately run schools and institutions often have more flexibility than public schools.
Cooperative Marketing/Campaigns

Some direct marketers go it alone, but many find that teaming up with others shares skills and abilities, moderates the workload and minimizes hassles.

After Terry and LaRhea Pepper’s single buyer reneged on a contract to buy their entire crop of organic cotton near O’Donnell, Texas, they found themselves with bales of raw cotton and no buyer. Scrambling for an alternative, the Peppers decided to try converting the raw product into denim. LaRhea Pepper, who had majored in fashion merchandising in college, contacted companies interested in finished fabrics and secured a new buyer.

“We realized, then and there, that security and profitability depended on our assuming responsibility for processing and marketing our cotton,” LaRhea Pepper says. “We don’t rely on anyone else.”

The Peppers joined forces with other organic and transitional cotton growers to form the Texas Organic Cotton Marketing Cooperative. Through the co-op, they shared marketing expenses and risks, then dealt with buyers as a team.

“We were realistic,” LaRhea Pepper says. “We realized we couldn’t deliver a consistent supply as the only producer.”

When the cooperative was formed in 1991, it brought together 40 farm families who sought to market their organic and transitional cotton. The cotton co-op sells raw, baled cotton or an array of processed products such as personal hygiene aids and a diversity of fabrics through their Website.

As more members of the co-op were drawn into marketing decisions, they also saw the need to create new products, expand markets and promote themselves. They diversified the product line to include chambray, flannel, twill and knits. Lower grade, shorter staple cotton, not suited to clothing, is used to make blankets and throws. Most recently, an “Organic Essentials” division was created to manufacture facial pads, cotton balls and tampons. The co-op board continues to look for other opportunities to add value to their cotton, and for partners in the industry who are willing to share the cost and risk.

The benefits of marketing agricultural products with others also appealed to Janie Burns of Nampa, Idaho, who raises sheep, chickens and assorted vegetables on 10 acres. A relatively small farmer, she is a large-scale promoter of local food systems. With a SARE grant, Burns investigated whether a growers’ cooperative would help area farmers become more efficient and profitable, while offering their community access to fresh, sustainably grown vegetables.

“We went to every list of people involved in direct marketing,” Burns recalls. They surveyed 150 people within the Boise/Twin Falls area, which shares a similar climate and crops, about their interest and capabilities. Then, they identified markets, such as restaurants, natural food stores, a cafeteria, a hospital and a school.

The Boise-area farmers agreed to form their own co-op under the name Idaho Organics Cooperative, Inc. Now, the group has it down to a science. Every Sunday, co-op growers send lists of what they will have for delivery that week, including quantity, description and price, via fax, to their customers. Based on responses, the farmers harvest, then pool produce at a central location for boxing and delivery.

In Tennessee, in a similar venture with a value-adding twist, farmers who wanted to convert their harvest into high-value products formed a marketing cooperative called Appalachian Spring. With a SARE grant, Steve Hodges and the Jubilee Project investigated the feasibility of using a community kitchen in the nearby town of Treadway, then co-marketing their products – a variety of salsas, fruit spreads and personal care goods. Once they crunched the numbers and saw a positive prognosis, they began selling the items through the co-op’s Website as well as through retail locations such as a regional airport gift shop.

The group also sells seasonal gift baskets to area church groups, a terrific way to highlight local products. “We tried wholesaling at first,” Hodges says, “but we found that small processors just can’t compete against big companies, even with a co-op.” In addition to joint marketing, co-op membership offers other benefits, like sharing equipment and bulk ordering supplies.

Cooperative marketing can be a great opportunity – or a headache. Here are some tips on how to make it work for you:

- The USDA Rural Development Business & Cooperative program offers information and assistance in setting up and managing a cooperative marketing effort. It’s a great place to start (RESOURCES, p. 20).
- Consider a marketing club, an informal cooperative that relies on using member marketing skills. Many extension offices offer training programs and assistance in setting up marketing clubs.
- Join a nonprofit farmer network group to share ideas and inspiration.
- Adequate market research and business planning are keys to successful cooperative marketing.
BUY LOCAL CAMPAIGNS

PUBLIC CAMPAIGNS CAN ENGAGE CONSUMERS AND PROMOTE purchases from farmers and ranchers. In 2003, California vegetable grower MaryAnn Vasconcellos approached the Central Coast Resource Conservation & Development Council (RC&D) with the idea of launching a campaign informing consumers why and where to buy local. Vasconcellos, who had spoken with many area growers while conducting workshops for the nonprofit Community Alliance with Family Farmers (CAFF), reported that many were asking how they might better market their products.

To Vasconcellos, the time seemed right to approach California consumers with messages about how they could convert a growing interest in food to supporting local farmers. If consumers were willing to pay for open spaces by supporting local producers, why not help connect growers and consumers by branding their food, fiber and flowers as local?

With a farmer/rancher grant from SARE, Vasconcellos and the Central Coast RC&D designed and launched a Website, designed a “buy local” label and created a marketing structure that farmers could see working. The “Buy Fresh Buy Local” campaign was designed to reflect the wide array of products and the diversity of their operations, which included u-pick, farm stands and markets and such varied goods as alpaca fleeces, grass-fed beef and lamb, as well as fruit and vegetables.

“Buy local” campaigns are underway in many parts of the country. Nationally, the FoodRoutes Network offers low-cost and customized publicity materials to help you or your group start a “buy local” campaign.

In remote rural areas, farmers banding together have strengthened market development. Ten farmers markets representing 150 small farms in western North Carolina joined forces to form the Mountain Tailgate Market Association (MTMA), bringing the power of a group behind promotion and performance. The term tailgate market, in fact, may be unique to the rural South, referring to lots and school yards where farmers drop their tailgates to reveal fresh-picked bounty. Since tailgate markets lean toward a show-up and set-up style, the small venues can be challenging to promote for farmers, many of whom have limited resources, as well as their small rural communities.

A SARE grant provided the resources to develop a logo for the association, conduct a multi-media promotional campaign, survey shoppers and vendors at all 10 markets, and conduct a workshop for the vendors. According to project leader Charlie Jackson, a farmer who is also on staff of the Appalachian Sustainable Agriculture Project, the SARE activities resulted in heightened visibility of the markets, brought many new customers, provided a strong base of information on customer and vendor perceptions of the markets and strengthened the cohesiveness of the group.

Surveys were particularly valuable, considering that about 1,600 customers and 60 vendors responded. The rapid feedback guided future promotional decisions. For example, the surveys indicated that most new
customers found the markets through word of mouth, so the vendors capitalized on that by asking customers to bring a friend on a particular market day designated as Summer Celebration. That day was the season’s high point for traffic and sales.

“It’s inspiring to see a group of farmers sitting down and planning together,” Jackson says. “Group promotion is a major benefit of the association.” That cooperation has led to plans for a 100-vendor market in Asheville, N.C.

INTERNET

As Internet sales continue to grow, creative farmers are jumping on board. The convenience of Web shopping appeals to today’s busy consumers looking for unique products. The good news: You don’t need to be a copywriter or a computer expert to tap into millions of potential buyers, although maintaining a successful Website can be challenging and time-consuming. Website design services have gotten more affordable in recent years, so contracting this out may make sense.

Even if you don’t plan to sell your products over the Internet or via mail order, hosting a Website describing your farm, your location, hours, seasonal availability and other information makes good business sense. More and more people use the Internet as an all-purpose research tool in place of phone directories, maps and guidebooks.

A Website is also a terrific place to tell your story, a tried-and-true marketing strategy. Have a friend or relative with a knack for photography—or a local art student or newspaper photographer—capture images of you, your family, key employees, your products, and a scenic view of your farm or ranch. Include a short “about us” section describing your farm’s history, goals and values. Remember that reporters and researchers rely on the Internet too! Having an accessible, easy-to-navigate Website can multiply your promotional opportunities later.

Maryland farmers Robin and Mark Way developed a Website as part of a multifaceted “branding” campaign for their diversified, pasture-based livestock operation, Rumbleway Farm. Along with the Website, Robin Way made business cards, brochures, T-shirts, and an attention-getting farm sign, all featuring the farm’s signature yellow chicken outlined in green. Way even created her own farm “blog,” a software tool that lets you post regular entries in a journal-type format to share news, recipes, or other ideas. Way asserts the Website and other measures have had a huge impact on business.

Marketing cooperatives can offer a broader range of retail products on a single Website, increasing traffic while saving on the cost of Website design and maintenance. Appalachian Spring Cooperative (see p. 15) tried other marketing avenues, but found the Internet among their most effective channels.

Participating in online information gateways can result in extra business. Nationally, localharvest.org lists close to 10,000 venues where farmers and ranchers sell their products. The Maryland Extension Service, with help from a SARE grant, expanded an Internet-based sheep and goat marketing project begun in the Northeast to include the mid-Atlantic states. The new Website, www.sheepgoatmarketing.info, includes producer and processor directories as well as other resources such as a calendar of relevant religious holidays.
The Website “helps me put buyers and sellers in contact,” says project leader Susan Schoenian, who hopes to add nationwide listings. “All of the producers I come into contact with credit the site with helping them to sell breeding stock and meat animals.”

Many state departments of agriculture now maintain online directories of organic farms, pick-your-own farms and farm stands. Make sure your farm is included on these, and if possible, feature your Web address in your listing. Having links to your Website appear on other sites will improve your ranking among results returned by Internet search engines.

You can also drive traffic to your Website by gathering customers’ e-mail addresses and then sending weekly or monthly e-mail announcements to advertise new products, special events or seasonal offerings.

Now that Internet marketing has proliferated, online competition for consumers’ attention is fierce. Attracting buyers can be difficult when hundreds of other farmers offer similar products in catalogs or Websites. To stay in the game, you need to maintain a good Website. If it’s not current, a customer will zip away with a click of the mouse.

If you’re interested in investigating the potential of mail or Internet marketing, keep in mind:

- When it comes to effective design, less can be more. Resist the temptation to overload your Website with flashing banners and fancy fonts.

- Once you have a great Website, you still have to attract users. Strive to get a good ranking on search engines like Google by driving people to your site from online links and e-mail alerts. Good Web designers know how to improve your ranking by using keywords. Having a distinctive farm name can also be a plus.

- List your Web address and other information in online directories that strive to connect farmers and consumers, such as localharvest.org, eatwellguide.org and eatwild.com. Most of these sites are eager for new listings and will allow you to create a customized entry free of charge.

- Update your Website often with your latest product information and news about the farm.

- Make sure the site is secure for credit-card users, and provide regular and toll-free numbers for customers who prefer to use the phone.

- Find reliable and cost-effective shippers who will deliver products on time in good condition.

**Renewable Energy**

Farmers growing grains and oilseeds may find new markets if interest in bio-based fuels continues to grow. Ethanol and biodiesel processing plants are increasingly common in the Midwest, while smaller-scale projects are being tested in the Northeast and other areas.

A SARE-supported project in Maine and Vermont found that farmers could grow and crush canola for $293 per ton, yielding 1,180 pounds of meal and 92 gallons of oil. Including the income from sale of the meal, the break-even price of the biodiesel processed from the canola oil came out at $3.09/gallon – a competitive price for a renewable fuel.

“Farmers are interested in producing a crop whose value is tied to the price of fuel,” says project leader Peter Sexton. “There’s also a great deal of personal satisfaction to be gained from producing your own fuel.”

While it’s hard to say exactly how the renewable fuels market will develop in coming years, with processing technologies improving and demand on the rise, fuel-crop production offers an array of opportunities for creating value-added products.

Installing photovoltaic panels or wind turbines, can reduce energy expenses over the long term and provide additional interest for farm visitors. See www.sare.org/coreinfo/energy.htm for more information about farm-based renewable energy.

**Evaluating New Farm Enterprises**

Whether you’re launching a new farm business or retooling an existing one, analyzing all of your possibilities is crucial to the success of your venture. Consider writing a business plan, a road map that specifies your priorities, goals and objectives. Moreover, business plans provide a framework for reviewing your progress and pointing out the need for mid-course corrections.

If you want to undertake business planning, consider using Building a Sustainable Business: A Planning Guide for Farmers and Rural Business Owners (Resources, p. 20), a 280-page guide to planning, implementation and evaluation. The book, co-published by SARE’s Sustainable Agriculture Network, includes dozens of worksheets to help you navigate the process.

With an existing farm operation, you should be able to do a basic enterprise analysis using the records you have to keep for tax purposes, says Seth Wilner, a county extension agent with the University of New Hampshire. “Look at your profitability, then look for anomalies. Maybe you thought blueberries were a profit center, say, but they’re not. So maybe you should shift things around.”
You might consider seeking outside help with a specific element of your plan, like marketing. For a medium-sized direct marketing farm business, working with a marketing consultant will typically cost between $1,000 and $3,000. Hiring a consultant is a good idea if you’re not sure how to get started or if you lack the time to go through the process on your own. “It’s definitely a worthwhile investment if you’re in the retail market,” Wilner says. “It’s a lifetime investment.”

Failure to judge the true demand for a product is a common cause of failure in many business ventures. To improve your odds, be thorough about your market research. Good research entails finding out as much as possible about your planned products or services. Investigate as many marketing options as possible and identify several that look promising. The more ways and places you have to sell your product, the better your chances of success.

Promotion and customer relations should be part of your marketing plan. A common rule of thumb for promotional expenses is 3 percent of projected sales.

In New Hampshire, Wilner helped three farms improve their bottom line by working with a marketing consultant, partly with a SARE grant aimed at building marketing skills for both farmers and county Extension.

For example, Beaver Pond Farm, a well-established farm near Newport, N.H., specializing in pick-your-own raspberries, used the consultant’s advice to improve signage, raise prices on some items and adjust the layout of their farm stand to improve product visibility. They planted blueberries to diversify their crop mix and begun selling meat, apples, cheeses and milk from other local farms in addition to their own products.

“People want more one-stop shopping. The customers haven’t batted an eye on the price hikes,” Wilner says. “The farm’s gone from breaking even or maybe losing a little money to having two good seasons.”

Marketing activities are guided by a variety of regulations at federal, state, county and municipal levels. Some vary by type of enterprise and location, while others are more general. Legal considerations include the type of business ownership (sole proprietorship, partnership, etc.), zoning ordinances, small business licenses, building codes and permits, weights and measures, federal and state business tax issues, sanitation permits and inspections, food processors’ permits and more. For more information, consult the Legal Guide for Direct Farm Marketing (RESOURCES, p. 20).

Adequate insurance coverage is essential. Every operator should have liability insurance for products and premises, employer’s liability, and damage insurance to protect against loss to buildings, merchandise and other property. Ask your insurance agent about liability and loss insurance specifically designed for direct-market farmers.
GENERAL INFORMATION
Sustainable Agriculture Research and Education (SARE) program. SARE studies and spreads information about sustainable agriculture via a nationwide grants program and practical publications. (301) 504-5230; sare_comm@sare.org; www.sare.org. See the Direct Marketing Resource Guide at www.sare.org/publications/dmg.htm.

Alternative Farming Systems Information Center (AFSIC). Provides on-line information resources, referrals and searching on alternative marketing topics. (301) 504-6559; afsic@nals.usda.gov; www afsic.nals.usda.gov. See comprehensive directory. Organic Agricultural Products: Marketing and Trade Resources. www.nals.usda.gov/afsic/AFSIC_pubs/OAP/srb0301.htm, or request free CD.


ATTRA. National information service offers 200+ free publications. Call (800) 346-9140; Spanish: (800) 346-9140; www.tradingpartner.usda.gov.

FARMERS MARKETS/AGRITOURISM


The New Farmers’ Market: Farm-Fresh Ideas For Producers, Managers & Communities by Eric Gibson. Tips for farmers and market managers and city planners. $24.95 + $3.95. www.sare.org/publications/newfarmer.htm; (301) 374-9696.


BUSINESS PLANNING & MANAGEMENT


The Legal Guide for Direct Farm Marketing by Neil Hamilton. Tips about legal issues when direct-marketing farm products. $20 + $3 s/h to Agricultural Law Center, Drake University. www.amazon.com; (515) 271-2947.


NxLevel. This agricultural entrepreneur program module offers in-depth training and materials for farmers seeking marketing opportunities. www.nxlevel.org; info@nxlevel.org; (800) 873-9378.

USDA Rural Business and Cooperative Programs. Supports cooperatives in areas such as marketing. www.rurdev.usda.gov/rbs; (202) 720-7558.